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FISCAL IMPACT STATEMENT

LS 7420

BILL NUMBER: SB 484

NOTE PREPARED: Jan 26, 2015

BILL AMENDED:

SUBJECT: Fire and Emergency Response Issues.

FIRST AUTHOR: Sen. Crider

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: *Intrastate Compact-* The bill creates the Intrastate Mutual Aid Compact to complement existing mutual aid agreements.

Deployment of Local Task Force- The bill allows the Indiana Department of Homeland Security (IDHS) to deploy a national urban search and rescue response system task force as a state resource during Indiana emergencies and disasters, in conformance with federal requirements, through an agreement with a political subdivision that is a sponsoring agency of a task force.

Repeal of Current Compact & Local Fund- The bill repeals the Interstate Emergency Management and Disaster Compact. The bill repeals the Local Emergency Planning and Right to Know Fund administered by the Department of State Revenue (DOR).

Creation of New Fund- The bill creates the Local Emergency Planning and Right to Know Fund (Local Fund) administered by the IDHS, for the purpose of providing each county with funds to help implement the Superfund Amendments and Reauthorization Act of 1986 (SARA).

Tier II Fees- The bill requires fees paid by facilities submitting Tier II emergency and hazardous chemical inventories to be paid to the Indiana Emergency Response Commission (IERC) for deposit in the Local Fund.

Transfer of Balance- The bill provides that on July 1, 2015, any remaining balance of the Local Fund administered by the DOR is transferred to the Local Fund administered by the IDHS.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Intrastate Compact*- The bill would require participants in the proposed Intrastate Compact to inventory their current services, equipment, supplies, personnel, and their recovery activities. The IDHS would handle the day-to-day operations of receiving inventories and cataloguing them. The IDHS states that a database would need to be developed to store the inventory information. The cost to build the database is estimated at \$200,000 with annual upkeep expenditures estimated at \$48,000. It is intended that 10% of the revenue from generated by the fees from the Tier II facilities would cover the build and upkeep of the database.

Deployment of Local Task Force- This provision would allow the IDHS to utilize task forces sponsored by political subdivisions in certain emergency situations. This provision would allow the IDHS to provide any task force the federal reimbursement rate and other protections afforded to units deployed out of state, while being used within Indiana. It is likely official memorandums of agreement would need to be established to formalize the use of local task forces.

Repeal of Current Compact & Local Fund- The Interstate Emergency Management and Disaster Compact was designed to work with neighboring states such as Kentucky and Ohio. The Compact was never utilized. Therefore, its repeal should have no consequence to state expenditures.

Tier II Fees- The IDHS could require additional staff to assume the administrative duties involved with Tier II entities. The IDHS could enter into a memorandum of agreement with the Department of Environmental Management (IDEM) for the provision of staff from that agency to be reassigned to the IDHS to carry out the administration of the bill's requirements. Currently, IDEM processes the Tier II reports that are required to be submitted under current law.

Currently, the DOR collects and distributes the fees from the existing Local Fund as required under IC 6-6-10. The DOR would no longer collect and distribute the fees, which would allow existing staff currently working on the Local Fund's administration to be assigned to other duties.

Creation of New Fund- The new Local Emergency Planning and Right to Know Fund would be administered by the IDHS. It is likely the IDHS would be able to administer the fund within existing resources. The bill would guarantee that a 10% allocation of revenues received from Tier II fees would go to the IERC for implementation and administration of the program.

Additional Information- The existing Local Fund made \$0.45 M in distributions to counties by the close of FY 2014.

Explanation of State Revenues: *Tier II Fees*- The fees would be the same as current law under IC 6-6-10-6. However, the revenue would be deposited into the new IDHS Local Fund that the bill would create. The following table illustrates the fees that would be charged.

As stated above, 10% of the revenues received from Tier II fees would be kept by the state and distributed to the IERC.

Tier II Fee Schedule	
Description	Fee
Facility with at least 1 million pounds of hazardous chemical present at one time in previous year.	\$200
Facility with hazardous chemicals that did not exceed 1 million pounds at any one time in previous year.	\$100
Facility with underground storage tanks with hazardous chemicals only present in storage tanks.	\$50

Transfer of Balance- On July 1, 2015, the balance of the existing Local Fund would be transferred to the Local Fund that would be created by the bill. The existing Local Fund had an available balance of \$9,133 as of January 7, 2015. At the close of FY 2014, the Fund had a balance of \$0.13 M. The fund brought in \$0.55 M in fees during FY 2014.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Creation of New Fund & Tier II Fees-* Money in the Local Fund would be distributed to counties annually before July 1. The annual distribution would be \$2,500 per county (\$230,000 statewide) plus an additional distribution as determined by:

- (1) Dividing the amount of available Tier II fees by the number of facilities paying the fee in the preceding calendar year, and
- (2) Multiplying the result of (1) by the number of Tier II facilities in the county.

State Agencies Affected: DHS, IDEM, DOR,

Local Agencies Affected: Political subdivisions.

Information Sources: Jonathan Whitham, General Counsel, IDHS, Budget Agency: Auditor's Data Trial Balance 6/30/2014.

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